

Grassley-Baucus Emergency Health Care Relief Package Summary

Immediate Access to Medicaid for Displaced Individuals: Displaced victims need immediate access to medical care, and Medicaid, which exists in all 50 states, is there to provide it. To ensure the fastest possible coverage, normal documentation and eligibility requirements would be waived and other application requirements streamlined and simplified. Katrina survivors with incomes below federal poverty level (and twice that level for pregnant women and children) would be eligible for Disaster Relief Medicaid, a temporary program available for 5 months, with a possible 5 month extension by the Secretary. To respond to the intense need for mental health and home and community based services among survivors, current state limits on these benefits would be waived and an extended package of mental health services would be available. To ensure continuity of care for vulnerable survivors, states would have to provide survivors with notice and assistance with Medicaid enrollment once their period of Disaster Relief Medicaid ends and pregnant women would continue eligibility until 60 days after giving birth.

- **Federal Support for Affected States' Medicaid Programs:** States affected by Hurricane Katrina (Louisiana, Mississippi and Alabama) are suffering significant financial losses, affecting their ability to fund critical services for their citizens. The federal government must ensure states can continue to provide Medicaid and SCHIP benefits to low-income individuals. Affected states and areas should get 100 percent federal match during this crisis to sustain Medicaid and CHIP programs. Full federal funding would continue through December 31, 2006. Federal funding for state Medicaid programs scheduled to drop in 2006 will be postponed for the fiscal year to ensure that states struggling to meet the new demand for services do not lose funds at this critical time.
- **Compensation to Affected Health Providers:** Health providers caring for evacuees should receive federal add-on payments to alleviate the burden of uncompensated care.
- **Private Coverage Assistance:** Some survivors may have private job-based coverage that will continue during this emergency period. Individuals who want to continue their job-based coverage will be eligible for assistance with premiums under a new Disaster Relief Fund, to be administered by state insurance commissioners. Technical changes will also be made to ensure that individuals who would have otherwise been eligible for continuation coverage under COBRA or portable coverage under HIPAA have those protections despite this emergency.
- **Assistance for Medicare Beneficiaries:** Hurricane Katrina has displaced hundreds of thousands of people with Medicare who will need special help as a result. First, the Medicare Part B late enrollment penalty would be temporarily suspended so that Katrina survivors are not unfairly penalized. Second, Medicare-eligible Katrina survivors who are also eligible for Medicaid are due to transition to the new Medicare prescription drug benefit on January 1, 2006. The Secretary of HHS will be required to submit to Congress by October 7 a written plan detailing how these survivors will be informed of and transitioned to the new drug benefit program.

- **Make Temporary Assistance for Needy Families (TANF) Contingency Fund and other funds Accessible for Affected States** – Provide Alabama, Louisiana and Mississippi immediate access to the TANF Contingency Fund, which currently has \$2 billion for states impacted by financial crises. Allow states providing services to evacuees to draw down from the Contingency Fund. Provide additional financial relief to Alabama, Louisiana and Mississippi. Ease the work and time limit rules in TANF to ensure families in crisis have access to assistance immediately. *(tbd, pending resolution of House-passed TANF package)*
- **Ensure that families who require benefits and services as a result of Hurricane Katrina should not lose access to future assistance.** Families who have had their lives disrupted by this disaster and who are unable to find work because of compromised economic state infrastructures and a lack of support services should not have their ability to secure assistance in the future compromised.
- **Emergency Unemployment Compensation Extension:** provides an immediate extension of unemployment benefits for 13 weeks for individuals in Alabama, Louisiana, and Mississippi who have exhausted their unemployment benefits. These benefits will be fully paid for by the Federal Unemployment Trust Fund.
- **Ensure hospitals in the disaster areas are not penalized for failure to submit quality data.** Section 501 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 provided acute-care hospitals a full inflationary update if they submitted data of 10 measures of quality care. Failure to submit this would result in a reduced update of market basket less 0.4 percentage points. This provision would permit the Secretary to waive quality reporting requirements for hospitals in disaster areas under Section 1135.
- **Fully reimburse hospitals for Medicare bad debt.** Currently, Medicare reimburses hospitals 70 percent of the cost of co-payments and deductibles that are left unpaid by Medicare beneficiaries. This amount should be increase to 100 percent of allowable costs for all hospitals in public health emergency states as well as for those hospitals outside the disaster area who treat evacuees.

Grassley-Baucus Emergency Health Care Relief Package Summary

Emergency Assistance to Disaster States

- Louisiana, Mississippi and counties under disaster declaration in Alabama will receive 100% Federal Medical Assistance Percentage (FMAP) from August 28, 2005 through December 31, 2006.

Disaster Relief Medicaid (DRM)

- Coverage for residents and evacuees of counties and parishes under FEMA declaration of hardest hit areas (individual and public assistance disaster declaration).
- Provides Katrina survivors with streamlined access to TEMPORARY Medicaid benefits in either the disaster-affected states or a host state.
- Provides 100% FMAP for benefits provided through DRM to the state hosting the evacuee for benefits provided that evacuee.
- Covers all populations regardless of categorical, resource, or residence eligibility requirements up to 100% of the Federal Poverty Limit (FPL).
- Covers pregnant woman and children regardless of categorical, resource, or residence eligibility requirements up to 200% FPL.
- Streamlined eligibility and enrollment procedures would apply, including common one-page national application form promulgated by the Secretary, no requirement of documentation, issuance of a temporary eligibility card, presumptive eligibility, and off-site enrollment.
- Individuals can self-attest to eligibility for DRM, but states are obligated to make a good faith effort to determine eligibility and individuals are liable for full costs of care if they falsely attest.
- Covers workers who live outside the geographic area but lost employment from a business located inside the geographic area as a result of Hurricane Katrina.
- Allows states to provided extended mental health benefits under DRM up to 100% FPL.
- Ensures that Home and Community Based Services (HCBS) populations in DRM do not count against host state Medicaid limits or caps.

Duration of DRM

- DRM would be a TEMPORARY Medicaid benefit eligibility that would last for an initial 5 eligibility period, with a possible extension of an additional 5 months by the President/Secretary. Any determination of an extension of DRM eligibility by the President/Secretary will apply to DRM benefits nationally.
- The 5 month clock for benefits would begin on the date of enactment, with retroactive coverage of claims incurred by DRM-eligible individuals from August 28, 2005.
- DRM applicants would have to provide state Medicaid programs with their expected address for the duration of DRM when they apply, and would be obligated to keep their address information current with the state.
- Individuals receiving DRM would receive a temporary DRM eligibility card that is date-stamped with the end date for the program. Such eligibility will be extended if the President/Secretary determines it is needed.
- At the end of the 3rd month of the eligibility, the state will be required to provide notice to individuals of the date their benefits will end under DRM and how to apply for Medicaid under current state eligibility rules. States would also have to provide individuals with an application and information on where to find state-funded assistance with their application.
- States would have to provide assistance to DRM enrollees with their applications in accessible locations, including but not limited to state Medicaid offices. Such assistance would be funded at 100% FMAP.
- CMS would be required to ensure that the state is complying with the notice requirements for DRM beneficiaries and that new applications for state Medicaid are being processed in a timely and appropriate manner by the states.
- No coverage under DRM would continue as of the end of the DRM eligibility period. If an individual's application is pending at the end of that period, the individual will be deemed presumptively eligible for the state Medicaid program until a determination has been made.
- Pregnant women enrolled in DRM at the end of the eligibility period would continue DRM eligibility at 100% FMAP for the state until 60 days post-partum.

Amendment to Existing 1135 Waiver Authority

- Amends 1135 waiver authority to allow the Secretary to extend benefits under existing authority to individuals displaced due to a disaster. Current authority

only allows the Secretary to waive requirements for a specific geographic location.

Emergency Assistance for State FMAPs

- Ensures no state will see a decrease in 2006.

Emergency Assistance to Providers

- Creates a Disaster Relief Fund to offset increased Medicaid or uncompensated care costs arising for Medicaid providers (hospitals, skilled nursing facilities, federally qualified health centers, rural health care clinics) as a result of Hurricane Katrina.
 - Providers qualify based on a significant increase in their percentage of Medicaid covered lives or their percentage of uncompensated care.
 - Paid directly through the federal government—not distributed through states via DSH.
- Fully reimburses hospitals in disaster areas and for evacuees originating in disaster areas for Medicare bad debt (unpaid Medicare beneficiary co-payments and deductibles).
- Ensures hospitals in disaster areas are not penalized for any failure to submit quality data.

Emergency Assistance to Medicare Beneficiaries

- Waives the Part B late enrollment penalty for Medicare eligible beneficiaries who are unable to submit applications during the initial enrollment period.
- Requires Secretary of HHS to submit to Congress by October 7 a written plan on how CMS will transition into Medicare Part D the dual-eligibles who are evacuees or residents of hardest hit counties and parishes.

Emergency Assistance for Private Coverage

- Disaster Relief Funds may also be used to provide employee or employee and employer share of private insurance coverage for pre-existing coverage.
- Program administered through state insurance commissioner.
- Technical changes will also be made to ensure that individuals who would have otherwise been eligible for continuation coverage under COBRA or portable coverage under HIPAA have those protections despite this emergency.

. Grassley-Baucus Emergency Welfare Relief Package Summary

Additional Funding for States:

Contingency Fund

- Provides for a mechanism to increase the amount available to the contingency fund during the duration of the disaster period;
- Extends the contingency fund to directly affected states (Louisiana, Mississippi and Alabama);
- Increases the amount available to host states (Example: Texas, Florida and Utah).

Loan Fund

- Increases the amount available to directly affected states (Louisiana, Mississippi and Alabama) under the loan fund;
- Clarifies that no state will be penalized for failure to reimburse the federal government for loan made under this provision.

Additional Flexibility for Families

Hurricane Katrina Emergency Benefits

- Establishes that from August 29, 2005 until September 30, 2006 residents and evacuees from Alabama, Mississippi and Louisiana are eligible for *Hurricane Katrina Emergency Benefits* which are not considered to be assistance under the Personal Responsibility and Work Opportunity Reconciliation Act.